UNDP

UNITED NATIONS
DEVELOPMENT
PROGRAMME

Distributed on request
DP/PROJECTS/7484

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
GABON

IPF:(1992-96) $ 4 761 000

(GAB/89/002) - Employment Promotion and Vocational Training

Date of approval by the AC:[1/]	26 May 1993
Expected duration:	Four years
Proposed executing agency:	ILO
Government implementing agency:	Ministry of Labor
Proposed UNDP contribution:	$ 952 500 Source of funds: IPF
Total UNDP budget:	$ 952 500

Project background

Gabon is a sparsely populated country with rich oil and mineral resources. Whilst oil windfalls helped the country attain high per capita income following the 1973 petroleum boom, they also brought with them a pattern of growth characterized by a high degree of vulnerability that led to the transformation of its economy into an export-oriented one, with a narrow productive base, a rapidly expanding public sector and an increased dependence on imports. The sudden drop in world oil prices in 1986 combined with the decline of the (US) dollar exchange value and of export revenues of the mining sector, propelled Gabon into a prolonged recession, revealing the economy's underlying structural weaknesses.

Current population estimates are 1.3 million of which 525,000 are active, mainly urban (54 percent). Within the active urban population, the modern sector employs some 91,000 people, of which the public sector accounts for one-third with the private and public enterprises absorbing about 52,000. The informal sector employs nearly 130,000, most of them immigrants from neighbouring countries. The rural population is employed in forestry exploitation and traditional (mostly subsistence) farming. The contraction of the economy resulting from the continued recession, and of public expenditures according to the prescriptions of the fiscal stabilization and Structural Adjustment Programmes, directly contributed to the rapid deterioration of the labor market to the point where it has now reached an estimated 13 percent unemployment rate. Unemployment is bound to further worsen as the structural underlying causes persist at a time when the young segments of the urban population increase, and the private sector shows no sign of revival.

Faced with this situation and recognizing that existing institutions are ill-designed to cope with the emergence of the growing and new phenomenon of unemployment which sharply contrasts with manpower shortages experienced until the recession, the Government decided in 1989-90 to set up new institutional mechanisms designed to promote employment in the country. To this end, the Government requested UNDP assistance under the present approval.

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

DEC 1993

Started in 1991, surveys and studies have first been carried out by the project to better understand the mechanics of the labor market, its evolution and prospects in the various sectors of the economy, and to assess vocational training facilities and programmes in the country. Work then proceeded with the design and formulation of legislation and statutory texts for the new National Employment Office, its organization and operating rules, budgetary and staffing requirements. Finally, legislation was also prepared to operationalize two Trust Funds to assist laid-off workers and new graduates seeking employment.

Description of project

The immediate objectives of the project are to: (a) establish the National Employment Office (NEO) and operationalise the two Special Funds for laid-off workers and young graduates; (b) launch an unemployment placement programme through specialization courses in existing vocational training centres, to be financed by the two Trust Funds; and (c) provide the Government with the legal tools and institutional mechanisms to analyze trends in the labor market, direct efforts towards adjusting supply and demand, and develop training and placement programmes and procedures for job seekers.

Legal and statutory texts awaiting Government's approval, stipulate that the NEO and its associated Funds are to be administrated by a tripartite structure representative of the State, Employers and Trade Unions. A prerequisite for approval of the project's main phase will be the promulgation of the first set of the new legislation, i.e. ordinances giving operational status to the two Funds. (The Government has also committed itself to submit the new law creating the NEO to the National Assembly for approval.)

Inputs

UNDP will provide a CTA (30 man-months), international/national consultants (27 man-months); administrative support staff; group training and study tours; equipment; and miscellaneous costs.

Financial data

	$
Personnel	840 400
Training	15 000
Equipment	65 300
Miscellaneous	31 800
Total	952 500

- - - - -